

Technical Assistance to Small Firms Program Guidelines

October 2006

**A Collaborative of
The Louisiana Recovery Authority
The Louisiana Department of Economic Development
The Louisiana Office of Community Development, Division of Administration**

1. Program Description

The purpose of this document is to set forth the guidelines for the Technical Assistance to Small Firms Program (TA).

The TA program has been established by the Louisiana Department of Economic Development (LED), the Louisiana Recovery Authority (LRA), and the State Office of Community Development's Disaster Recovery Unit (OCD). LED is the administering body of these programs and will work in conjunction with the LRA and OCD in Policy and Administration of this program.

The program is designed to work with community-based organizations and other service providers to deliver technical assistance to small businesses and nonprofits in the areas affected by Hurricanes Katrina and Rita to help stabilize and grow their businesses in a changed market environment. LED will seek proposals from Technical Assistance Providers ("Providers") to provide a comprehensive program to address a variety of needs of small firms and nonprofit organizations.

Technical assistance should include, but is not limited to, services such as business management, strategic planning, business plan preparation, loan application and preparation services, accounting, insurance, marketing and legal.

This program is funded through a grant from the U.S. Department of Housing and Urban Development as eligible under Section 105(a)17(f) and 105(a)22(b) of the Housing and Community Development Act of 1974. The activities will meet the national objective of benefiting persons of low to moderate income or urgent need.

2. Solicitation of Grant Applications

Through a Solicitation for Grant Applications, LED will seek proposals from organizations ("Providers") that would be used as intermediaries to provide technical assistance to existing small firms and non-profit organizations in areas affected by Hurricanes Katrina and Rita, or to entrepreneurs/persons seeking to start a new business to locate within and take advantage of opportunities in the most affected parishes.

LED will use a competitive selection process, using weighted evaluation criteria, to determine

which proposals will be funded. LED staff will review all proposals to ensure that all required proposal elements are submitted. Proposals are due at the LED by December 1, 2006. The Application will specify requirements and information needed for a complete application.

Substantial documentation of the proposed approach the applicant would use and the applicant's relevant experience will be required. In general, participating Providers are encouraged to partner with an organization to provide loan, grants and technical assistance to firms receiving funds.

The TA program is intended to be implemented in coordination with other LRA designed programs, including the Small Firm Recovery Loan and Grant Program (SFLG) and the Long Term Recovery Loan Guarantee Program (LTRLG). The goal of these three economic development programs is to provide a variety of business tools for small companies, namely loans, grants, and technical assistance. This model was used in the post-9/11 environment to help viable businesses rebound.

3. Contractor Eligibility

Providers with expertise in a given area of technical assistance are encouraged to apply. Where possible, preference will be given to programs that include collaborative efforts to meet the spectrum of needs small businesses and nonprofit organizations face in the aftermath of the storms.

To be eligible for a grant under the TA program, an organization must meet the following criteria and comply with the terms of these Guidelines:

- a) It has a viable track record delivering technical assistance services to small businesses;
- b) It employs policies and practices consistent with the Purpose and requirements of the TA program;
- c) It can demonstrate that it has the institutional capacity to implement and deliver the TA program effectively; and
- d) It is not established as a religious or political organization.

4. Eligible Businesses

- a) A business shall be eligible to receive technical assistance from a Provider only if it meets the following criteria:
- b) It is a for-profit business entity or a non-profit organization established under Sections 501(c), 501(e), 501(f), 501(k), 501(n), or 521(a) of the Code;
- c) It is not established as a religious or political organization; and
- d) It maintained a business in the Affected Area prior to the storms, has started a business since the storms, or is interested in starting a business in the Affected Area to take advantage of business opportunities in the most affected parishes.

5. Eligible Affected Areas

Services must be provided to businesses and nonprofits operating in the Affected Area. The Affected Area parishes were determined by the amount of infrastructure damage suffered. Parishes include: Calcasieu, Cameron, Jefferson, Orleans, Plaquemines, St. Bernard, St. Tammany, Vermilion, Acadia, Allen, Beauregard, Iberia, Jefferson Davis, Lafourche, St. Charles, St. John the Baptist, St. Mary, Tangipahoa, Terrebonne, Washington.

6. Availability of Funds

Up to \$9.5 million in CDGB funds will be available for the TA program, as described in the Final Action Plan Amendment 2 for Disaster Recovery Funds, and any amendments thereto. These funds will be used as grants to Providers to deliver technical assistance to existing small firms and non-profit organizations in areas affected by Hurricanes Katrina and Rita and to entrepreneurs/persons seeking to start a new business to locate within and take advantage of opportunities in the most impacted parishes. Grants to Providers will be monitored by program managers from LED in coordination with OCD. Grants will be subject to the requirements set forth herein and in the Application, along with the availability of TA funds. Program Income derived from the use of CDBG funds is subject to the requirements of 24 CFR 570.504.

7. Proposal Evaluation

The Application will contain additional information regarding the evaluation of applications and the procedure for the selection of organizations. Providers will be selected to participate in the TA program based on an evaluation of a variety of factors, including but not limited to:

- The Provider's capacity to undertake the proposed program as demonstrated by information submitted in the proposal.
- The Provider's demonstrated past success with TA programs, including both quantitative (e.g., # of businesses served) and qualitative (e.g., "success stories") performance.
- The Provider's historic geographic and programmatic area of service delivery.
- The Provider's policies and practices.
- The Provider's estimate of the demand for technical assistance as set forth in its proposal.

LED reserves the right to select all, or fewer than all, Applicants responding to the Solicitation as part of a partnership, consortia, etc.

8. Participation Agreements

LED will enter into an agreement with each Provider that will reflect the purpose and requirements of the TA program as set forth in these Guidelines, as they may be amended from time to time. The Provider's proposal will be incorporated into the agreement.

The agreement between the Provider and LED will contain clauses pertaining to activity eligibility and national objective determination of the Community Development Block Grant program and other program requirements such as equal opportunity and nondiscrimination; financial management, procurement, conflict of interest, audits, termination and suspension, and environmental regulations.

9. Program Reporting and Monitoring

Providers will submit to LED a list of new companies assisted and the type and amount of assistance at least twice a month.

Providers will also be required to provide a quarterly report to LED, OCD, and LRA in electronic format. This quarterly report will include the number of jobs in each position, including job titles and salaries and low to moderate income (LMI) status, created or retained by each of the businesses during technical assistance. LED and OCD will ensure that Providers comply with all applicable federal regulations, including but not limited to 24 CFR 570.482. Scheduled and random monitoring visits will be made to the businesses served as well as the Technical Assistance Providers to ensure program success and correctness of information sent to LED and OCD.

Providers will maintain accurate books and records concerning the Program, including, without limitation, the following:

1. Financial records (i.e. budget, general ledger, bank statements, cancelled checks, supporting invoices, financial statements, Procurement Activity, etc.).
2. Programmatic records (i.e. documentation of Technical Assistance intake records, log-in sheets, training attendance for all recipients).
3. Any other documents that the Provider considers material to a potential audit.
4. Provider agrees to maintain all books and records for (5) years following the final close-out of the grant from HUD to OCD; provided, however, that if any litigation, claim, negotiation audit or other action involving the records has been started before the expiration of the five year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three year period, whichever is later.
5. In addition, the Provider shall allow access to all books, accounts, records, reports, files, and other papers pertaining to the administration, receipt and use of federal funds and necessary to facilitate such reviews and audits.

It is the Providers' responsibility to ensure that all partners/consortia are in full compliance with the Agreement and Program rules, including the submission of any and all required reports and LED established guidelines and time frames.

10. CDBG Requirements

This program is funded as an eligible activity under the Community Development Block Grant Program. All requirements of the program that relate to the economic development activities are applicable to TA program including:

- a. Benefit to Low and Moderate Income persons -- 24 CFR 570.483 (b)(4) as job creation or retention or 570.483 (b)(1) area wide benefit

- b. Guidelines for evaluating project costs and financial requirements 24 CFR 570.209(a)
- c. Standards for Public Benefit – 24 CFR 570.209(b)
- d. Other program requirements -- 24 CFR 570.601 (Sub part K)
- e. Financial Records -- 24 CFR 570.502 and 24CFR 84.21
- f. 24 CFR 570.603 Labor standards
- g. 24 CFR 570.604 Environmental Standards

Providers reporting job creation or retention or micro-enterprise development for national objective purposes (24 CFR 570.483(b)(4)) can find individual applicant forms at: <http://www.doa.louisiana.gov/cdbg/dred.htm> and click on the link for Low Moderate Income Certification. The instructions will explain the calculation for family income. The current income tables for 2006 are found on the spreadsheet link for each parish or metropolitan area.

The Solicitation for Grant Applications and Agreement will contain further information on program reporting and monitoring.